

term credit at 7 per cent with an upper limit of 300,000 on the principle amount and that this policy suppose to come into force w.e.f. Kharif 2006-07;

(b) whether the scheme announced above has not yet been implemented and that loans at concessional rate at 7 per cent interest is unlikely to become available to farmers even for Rabi 2006-07;

(c) whether the loans advanced to farmers by the co-operative banks has declined from 60 per cent to 40 per cent during the last one year; and

(d) if so, what are the reasons for the above delay and by when Government expects to implement the scheme?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL):** (a), (b) and (d) Yes, Sir. To operationalise the budget announcement, Reserve Bank of India issued guidelines to Public Sector Banks (PSBs) and NABARD has issued guidelines to Regional Rural Banks(RRBs) and Cooperative Banks. The Government has provided concessional refinance to Cooperative Banks and RRBs through NABARD, at an interest rate of 2.5% p.a. and 4.5% p.a. respectively for the year 2006-07. All PSBs and RRBs are lending Short Term Agriculture Credit at 7% p.a. Some Cooperative Banks are lending at rates higher than 7% p.a. The Government has now decided to provide an interest subvention of 2% p.a. to Cooperative Banks on their own involvement of funds used for Short Term Agriculture Credit for 2006-07. With this subvention, it is expected that the Cooperative Banks too shall lend at 7% p.a.

(c) As per provisional data upto 30 September 2006 (Kharif 2006) the crop loans disbursed by cooperative banks stood at Rs.22221.65 crore as against Rs.18212.25 crore during the corresponding period during last year (upto 30 September 2005). Thus, in absolute terms crop loan disbursement by Cooperative Banks have increased by Rs. 4009.40 crores. The share of cooperative was 35% (as against 33% during full year 2005-06).

#### **Processing of IT Returns submitted through post offices**

605. SHRI SHATRUGHAN SINHA:

SHRI SYED AZEEZ PASHA:

SHRI YASHWANT SINHA:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that the Income Tax officers have decided not to process any of the IT returns submitted through post offices, Nation-wide;
- (b) if so, the details thereof and the reasons therefor;
- (c) the amount of money paid to the Department of Posts for rendering this service; and
- (d) what steps are proposed to be taken to process these IT returns and to enable the refund without delay?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):** (a) and (b) Representations have been received from the Income tax Employees Federation and Income tax Gazetted officers Association in this regard pointing out that they are opposed to outsourcing of work of the Income-tax Department.

(c) It has been decided to pay an amount of Rs. 100 to Department of Posts for each return received in the post office.

(d) It has been decided to process these returns centrally. It shall facilitate issue of refunds quickly.

#### **World Bank ranking of India on Trade**

**†606. SHRI BALAVANT ALIAS BALAPTE:**

**SHRI SHREEGOPAL VYAS:**

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that World Bank and International Finance Corporation in one of its reports have ranked India at 134th position amongst 175 nations with regard to trade;

(c) whether it is also a fact that the report also mentions the slow adjudication process and stringent labour laws in India as impediment in this regard; and

(d) if so, Government's reaction on the report and the scheme being formulated by Government in this regard?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL):** (a) Yes, Sir. A World Bank and International Finance Corporation report titled "Doing Business 2007" has

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†Original notice of the question was received in Hindi.